



## **Coordinating Assistance for Dislocated Workers**

Tatabanya, Hungary

### **Background**

As Hungary continues its transition to a market economy, local communities have found that the layoffs and unemployment that often accompany the privatization and restructuring process can create social and economic crises. Many municipalities have also had to reduce their workforces to cope with budget-cutting austerity measures. The Ministry of Labor and the County Labor Centers (CLCs), which provide local employment services, sought a proactive strategy that would emphasize early intervention, labor-management cooperation, and community involvement in layoff cases—ideally resulting in the prevention of unemployment.

### **Innovation**

In July 1994, the Hungarian Ministry of Labor began to develop a method for responding to layoffs. Borrowing from American and Canadian techniques, Hungarian CLCs have now initiated Rapid Response Reemployment Assistance Committees (RACs) at 30 sites around the country, including steel mills, a uranium mine, a canning factory, a shoe manufacturer, a bus maker, a brewery, hospitals, and several municipalities. When the Tatabanya municipality (population 76,000) decided it had to lay off 400 teachers, nurses, social workers, maintenance staff, and others from over 50 separate institutions, it worked with the CLC to establish a RAC consisting of employer and employee representatives, several of whom were themselves affected by the layoff. The committee selected a retired teacher with strong ties to the community, who was viewed as impartial, as the chairperson. The RAC collected information on the needs and skills of the laid off workers who wanted assistance. Based on the findings, they developed an action plan tailored to those needs. The municipality provided space for an on-site Action Center where the dislocated workers could go for information, counseling, and peer support. The committee published newsletters; arranged workshops on entrepreneurship, job search techniques, Job Clubs, training, legal issues, and other topics; posted job listings; and worked to develop new jobs by contacting area employers. Throughout the process, the Tatabanya Municipality RAC and the CLC involved the local small business assistance center, training experts, NGOs, chambers of commerce, the media, and others.

### **Results**

The Tatabanya RAC helped 43 percent of those who sought its assistance to find new employment before they would have been eligible to register as unemployed. Many of the new RAC partnerships established in Hungary in response to crisis situations have led to ongoing relationships among community entities. Several RACs have become catalysts for local economic development efforts: a variation of the Rapid Response model to assist displaced farmers is now being developed jointly by a regional training center, the CLC, and a municipality in northeast Hungary. A workgroup is developing policy and legislative recommendations for institutionalizing the Rapid Response model in Hungary.

### **Summary**

- Faced with rising layoffs and unemployment, Hungarian County Labor Centers have created 30 Rapid Response Reemployment Assistance Committees at various industrial companies, hospitals and municipalities. Tatabanya, which had to lay off 400 municipal workers, is a successful case example of the Rapid Response approach.

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